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AUTHOR Harvey, James
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ABSTRACT

It may be a mistake to speak of the "higher education community" as a synonym for the Washington-based higher education organizations associated with advocating public policy for American higher education. These organizations represent different views and constituencies including students, states, and institutions such as liberal arts colleges, community colleges, state four-year colleges, and public and private universities. So different are the interests the associations attempt to represent that they are frequently unable to agree among themselves on any but the broadest propositions. On specific questions the associations will frequently part company. Hence, they are likely to differ on the question of whether or not students at state institutions should be expected to bear a greater share of the costs of their education, or the specific percentage of costs federal grants should be allowed to cover. (Author/KE)

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EDUCATION POSITION OR POLICY.THE HIGHER EDUCATION COMMUNITY
AND FEDERAL LEGISLATION

James Harvey

A lot of water has passed under the bridge since 1952 when the Association of American Universities' Commission on Financing Higher Education recommended a "halt . . . to the introduction of new programs of direct federal aid to colleges and universities . . . [or to expanding] the scope of its scholarship aid to individual students."¹

Since that time organizations representing higher education institutions and their students have enthusiastically supported the enactment of the National Defense Education Act, the Higher Education Facilities Act, and the Higher Education Act of 1965. With somewhat less enthusiasm, they also supported legislation developed in the 92nd Congress, the Education Amendments of 1972 (Public Law 92-318), which expanded Federal assistance for students attending postsecondary education, and authorized a new program of Federal aid to institutions based on the number of Federally-aided students in attendance and the amount of their aid.

HIGHER EDUCATION ASSOCIATIONS

It may well be a mistake to speak of the "higher education community" as a synonym for the Washington-based higher education organizations associated with advocating public policy for American higher education. The organizations represent different views and constituencies including students, states, and institutions such as liberal arts colleges, community colleges, state four-year colleges, and public and private universities. So different are the interests the associations attempt to represent that they are frequently unable to agree among themselves on any but the broadest propositions; for example, most of the groups representing institutions agree that the Federal government should provide unrestricted general assistance to institutions of higher education. However, on more specific questions the associations will frequently part company. Hence they are likely to differ on the question of whether or not students at state institutions should be

expected to bear a greater share of the costs of their education, or the specific percentage of costs Federal grants should be allowed to cover.²

Bailey recently provided a taxonomy of ten different kinds of education interest groups interested in Federal education policy.³ Among the most important of the associations representing higher education are: The American Council on Education, the American Association of Community and Junior Colleges, the American Association of State Colleges and Universities, the Association of American Colleges, the Association of American Universities, the National Association of State Universities and Land-Grant Colleges, the Association of Independent Colleges and Schools, and the Association of Jesuit Colleges and Universities.

Other groups interested in Federal educational policy are the College Entrance Examination Board, student groups such as the National Student Lobby, and several states and large universities with representatives following education matters.

THE 1972 AMENDMENTS

The Education Amendments of 1972 was a landmark piece of legislation that essentially extended all existing Federal aid programs and added several major new ones.⁴ Among the new programs were two that broke new ground in the history of Federal aid to postsecondary education.

The first created a Basic Educational Opportunity Grant program under which each student would be entitled, at full funding, to \$1,400 per year for postsecondary education expenses, less the amount his family could contribute. The second authorized institutional assistance to colleges and universities and was designed to make unrestricted Federal funds available based upon the numbers of Federally-aided students enrolled in each school and upon the amounts of money they received.

The institutional aid provisions were the most disappointing to higher education associations because they were not written as the organizations wished. And they continue to this day to be disappointing. Although Congress authorized the program, it has never been funded through the appropriations process.

Fortunately, the Federal student assistance picture has been more promising. In the 1971-72 academic year, appropriations for the three "institutionally based" student aid programs—Educational Opportunity Grants, work-study, and the National Defense Student Loan Program—totaled \$701.1 million.⁵ In fiscal 1976, those programs and the new basic grant program are funded at over \$1.6 billion.⁶

James Harvey is a research associate at the National Institute of Education and a former staff member of the House Committee on Education and Labor.

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BACKGROUND

It is important here to recall the atmosphere in 1970 and 1971 as the House and Senate committees began considering what ultimately became the Education Amendments of 1972. Alarming reports had been appearing regularly that attempted to chronicle the pending financial collapse of higher education.⁷ Accompanying them, naturally enough, were numerous suggestions for alleviating the problem. Among the most frequently cited remedies was the suggestion that colleges and universities should receive Federal general purpose assistance based upon a head-count of the numbers of students enrolled. Representative Green accepted this proposal and developed a "capitation formula" that provided aid to institutions based upon numbers of students enrolled at different levels of study. (Gladieux and Wolanin provide an unusual and detailed description of the political developments of this legislation in their forthcoming volume *Congress and the Colleges*.)⁸

Almost unanimously and enthusiastically the spokesmen for American higher education lined up behind the Green approach. In doing so they were going in a different direction from the Carnegie Commission recommendations, the Nixon Administration, and Senator Claiborne Pell, Democrat of Rhode Island and chairman of the Senate Education Subcommittee. Each of these forces was advocating more emphasis on student assistance. Pell ultimately developed an institutional assistance formula based on the number of students receiving basic grants attending each institution, and the Administration preferred this approach over the Green formula.⁹

In remarks delivered just a few days after the Education Amendments were signed into law, Gladieux noted:

The associations and much of the concerned higher education community placed an extraordinary faith in the leadership and staying power of Representative Edith Green. In retrospect this must be considered a miscalculation. In the final and crucial stage she did not command the necessary votes and therefore did not prevail on many of the key issues. There is a familiar saw among lobbyists that you never work just one side of the aisle—in this case the major groups representing higher education were working only one member of Congress.¹⁰

Nevertheless, Gladieux insisted that it is short-sighted to believe that the associations had "somehow lost out in the final stretch." For, "there might not be any institutional aid in the bill at all had the associations not pressed the cause so tenaciously through the past five or six years."¹¹

EARLY WARNINGS

In retrospect, it seems clear that the associations should have detected the dissatisfaction of several prominent legislators with their position. In the House, Democrat Brademas of Indiana, Democrat Frank Thompson of New Jersey, and Republican Albert H. Quie of Minnesota, pressed association representatives during hearings to justify their position on institutional aid. Brademas later complained that committee members were:

distressed to find that although leading college and university spokesmen pleaded for general institutional assistance because they were in "financial distress," they could not, when pressed by our committee, agree to a definition of "financial distress" or even "financial need."¹²

He said: "We turned to the citadels of reason . . . We said, 'Tell us what you need,' and they answered 'We need \$150 per student because that's what we've been able to agree on.'"¹³ Furthermore,

an August 1971 story in the *Chronicle of Higher Education* reported that Pell "angrily attacked the Washington-based higher education associations as uncooperative and resistant to new ideas."¹⁴

NEW INITIATIVES

Because the 1972 amendments are now due to expire, several proposals have been put forward that suggest what Congress ought to do in enacting extension legislation. First, several major reports on the financing of postsecondary education have been published since 1972. In 1974, Howard R. Bowen reviewed six reports developed by the Carnegie Commission on Higher Education, the Committee for Economic Development (CED), the National Board on Graduate Education, the National Commission on the Financing of Postsecondary Education, the National Council of Independent Colleges and Universities, and the Newman Task Force to the Secretary of HEW.¹⁵

Among his conclusions he found that the reports were pointing in the direction of higher tuitions in state institutions and heavier reliance on loans in student aid award packages, and confessed his "uneasiness" at the prospects of increased indebtedness for many students.¹⁶

House Action—Among those sharing Bowen's uneasiness is the current chairman of the House subcommittee with jurisdiction of postsecondary education legislation, James G. O'Hara, Democrat of Michigan. He strongly denounced the proposals by CED and the Carnegie Commission that tuition at public institutions be increased, and in February of this year introduced a bill, H.R. 3471, "designed to utilize the leverage of Federal student aid in such a way as to encourage the creation and utilization of low-cost educational opportunities."¹⁷ In March, his subcommittee began twelve days of hearings on the bill, and as of this writing he and his colleagues are "marking-up" the legislation, that is, amending it for consideration by the full House of Representatives.

The major changes included in H.R. 3471 would:

- discontinue the National Direct Student Loan Program;
- reduce the maximum basic grant award from \$1400 to \$800, with the stipulation that the award could cover not one-half of costs but all costs;
- modify the SEOG program so that (1) financial eligibility for SEOG would be governed by eligibility for the basic grant program, and (2) the SEOG grant would be a full scholarship to the institution of the student's choice if the student could demonstrate outstanding academic potential;
- double the size of the work-study program and eliminate the current requirement that preference in funds go to those in "great financial need";
- replace, over time, the Guaranteed Student Loan Program with a program of Federally reinsured state loans;
- eliminate postsecondary institutions from the lists of eligible lenders in the guaranteed student loan program;
- expand the State Scholarship Incentive Program from its current \$20 million authorization annually to \$200 million, and expand the flexibility of the states to use the funds to encourage no-tuition enrollment programs.

O'Hara has a separate bill extending other parts of the Higher Education Act, and hopes to report both bills to the House floor for a vote this year.

Reaction to O'Hara Bill—Not surprisingly, the changes proposed by O'Hara drew divided and strong responses from the higher education community. Kathy Kelly, President of the National Student Association, "endorsed wholeheartedly the low and no tuition principles on which this bill is based," but wanted the basic

grant ceiling of \$800 raised, and opposed basing eligibility for SEOG's on merit.¹⁸ John D. Moseley, testifying as chairman of the Association of American Colleges, told the O'Hara subcommittee:

In all candor, we believe the enactment of H.R. 3471 as introduced would have a devastating effect on students generally and on private higher education in particular.

We believe further that H.R. 3471 actually obstructs our nation's present public policy, a policy which recognizes a dual system of higher education and provides choices of attendance by students within that dual system.¹⁹

The Director of Governmental Relations of the American Council on Education, Charles B. Saunders, Jr., told the subcommittee that the maximum basic grant should be between \$1,600 and \$2,000 annually.²⁰ Saunders also questioned the wisdom of making the SEOG program a merit-based program, noting that although merit scholarships warrant serious consideration, they should be considered separately from the question of need-based aid.

However, John E. Tirrell, Vice President of the American Association of Community and Junior Colleges, found several things in the O'Hara bill to applaud, including: removal of the one-half-cost limitation in the basic grant program, the ten-fold increase in funding for the state incentive grant program to be used at no tuition institutions, and the bill's move away from reliance on loans. Nevertheless, he questioned the wisdom of reducing the maximum basic grant.²¹

Senate Action—The author of the basic grant program, Senator Pell, is not contemplating such major changes in student aid. On November 12 he introduced an omnibus education bill, S. 2657, to extend the 1972 amendments, the Vocational Education Act, and the authorization for the National Institute of Education.

Pell clearly differs from O'Hara in his philosophy of student aid. He told the Senate:

In the area of student assistance, I propose raising the ceiling on basic grants from \$1,400 to \$1,800, reflecting increases both in the cost of living and in tuition. The bill retains the limitation contained in existing law that a basic grant cannot exceed half the cost of a student's education. This provision allows students to attend higher-cost private institutions, as well as lower cost 2- and 4-year public institutions.²²

OTHER PROPOSALS

The higher education community itself has also developed several proposals for the consideration of Congress. The American Council on Education, having "consulted widely with representative organizations and individuals throughout the higher education community," presented detailed recommendations for amending and extending the Higher Education Act before the Senate Subcommittee on Education on July 15.²³ With respect to student aid, ACE recommended that the basic grant should be raised to \$1,600 or \$1,800 per year and the half-cost limitation removed; that the consensus model for needs analysis developed by the National Task Force on Student Aid Problems be used in determining both basic and supplemental grants; that the minimum supplemental grant be raised from \$200 to \$400; that the supplemental grant be based on the full cost of attendance not to exceed the lesser of \$1,500 or one-half the amount of other aid received by the student; that the State Student Incentive Grant program be expanded to \$150 million in Fiscal 1977 and to \$350 million in Fiscal 1981; and that the work study program be increased to \$700 million. Finally, ACE recommended that institutions should have an administrative cost allowance of 5 percent of

student aid, or \$50 per aided student, whichever is greater, for the three campus-based programs and the basic grants.

The consensus model endorsed by ACE was itself an effort by the higher education community to simplify the delivery system for student aid. The National Task Force on Student Aid Problems, a voluntary association of groups interested in student aid problems, was convened in 1974 by the College Entrance Examination Board and supported by several foundations.²⁴ The Task Force directed its attention to two significant problems in the delivery system for student aid: (1) different agencies, including the Officer of Education, the College Entrance Examination Board and the American College Testing Program use different assumptions in determining parental ability to pay postsecondary education costs; and (2) students and families have to complete several different forms, requesting different information, to apply for different kinds of financial aid. In response to these problems, the Task Force developed the consensus model of needs analysis and a prototype Common Student Data Form.

Other proposals for revising higher education aid have been developed by Lois D. Rice, Vice President of the College Entrance Examination Board, the Carnegie Council on Policy Studies in Higher Education, and the Consortium on Financing Higher Education.²⁵ Rice suggested that basic grants not be related to instructional costs, but should be designed so that noninstructional costs could be fully covered. Her proposal has been endorsed by the Carnegie Council, which also recommended eliminating the half-cost provision of the basic grant, and increasing the basic grant to \$1,600 per year. The Consortium on Financing Higher Education also supports the Rice proposal and the setting of the maximum basic grant award at \$1,600.

INSTITUTIONAL AID

The debate about how best to provide institutional assistance continues, although it is much diminished since 1972. In a significant change from its 1972 posture, the American Council on Education has accepted the idea that institutional aid should be based on student assistance, but, in the belief that the complexity of the formula has been "one of the obstacles to funding" of institutional aid, has recommended that institutions receive \$200 for each student participating in the institutionally-based and basic grant programs.²⁶

Gladieux and Wolanin claim that the cost-of-instruction institutional aid provisions in the 1972 law "excited little enthusiasm among the associations or their member institutions."²⁷ There seems to be some evidence to support that contention. Ralph K. Huitt, Executive Director of the National Association of State Universities and Land Grant Colleges, emphasized before O'Hara's subcommittee "We would be remiss if we did not stress that the cost of education provision . . . is not an institutional aid provision." Huitt called the provisions "no more than an extension of basic contract law," and concluded, "It may be that the cost-of-education allowance is not the way to do it because certainly its track record, as everyone knows, is poor."²⁸

Charles V. Kidd, Executive Secretary of the Association of American Universities told the subcommittee that "the problem" with funding of the institutional aid provisions has been "the basic approach represented by the statute."

Brademas termed such a view "a self-fulfilling prophecy" and suggested that one reason the institutional aid provisions have not been funded has been that "we have almost no pressure from . . . the associations that represent our educational institutions for funding. . . ." Gladieux and Wolanin also observe with respect to institutional aid that "only limited, sporadic efforts have been made to lobby for its funding."³⁰

NEXT STEPS

Because neither the House nor the Senate subcommittees had, in November, developed a final bill to be reported for a vote, the outcome of the reauthorization process is unclear. However, *Higher Education Daily* on August 13 reported that "there is little support among members of the House Postsecondary Education Subcommittee for Chairman James O'Hara's . . . bill to amend Federal student aid programs. . . . A provision to drop the half-of-cost limit on Basic Educational Opportunity Grants is considered likely to survive . . . but the rest of the bill . . . will surely undergo major surgery."³¹ Even if the House does decide to drop the "half-of-cost" provisions of the basic grant program, Pell, as noted earlier, seems committed to retaining them.

The associations appear to have taken some steps since 1972 that will help them play a more effective role in the development of the extension legislation. In 1972 and subsequently, the associations were criticized because they were unable to support their position with hard data and analysis. Since then, several of the associations have been improving and strengthening their analytical capabilities. The American Council on Education, in particular, has created a Policy Analysis Service, and O'Hara acknowledged, during his subcommittee's hearings, the assistance he had received from that unit.

Furthermore, the associations have provided detailed suggestions for amending the existing law in contrast to 1972 when most of them seemed to feel that their proper role was not to advance alternatives but to react to the proposals of legislators. Moreover, the associations' testimony before the House and Senate indicates that they have accepted the Congressional decision that student aid will have priority over institutional aid.

The associations, therefore, may be able to work more effectively with the authorizing committees today than they did in 1972. As welcome as that situation would be, it will not, in itself, guarantee increased aid to students or institutions. The authorizing committees in Congress authorize programs, but the appropriations committees fund them. It may well be that the associations' most difficult tasks in the next several years will lie in persuading the House and Senate appropriations committees, and the new budget committees, to adequately fund legislation already authorized.

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